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JUN 14 2022

CLERK U S DISTRICT COURT
DISTRICT OF ARIZONA
BY _____ DEPUTY

**REDACTED FOR
PUBLIC DISCLOSURE**

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

No. CR-19-00898-PHX -DUR

**SECOND SUPERSEDING
INDICTMENT**

VIO: 18 U.S.C. § 1343
Wire Fraud
(Counts 1–10)

18 U.S.C. § 1341
Mail Fraud
(Counts 11–12)

18 U.S.C. § 1957
Transactional Money Laundering
(Counts 13–23)

26 U.S.C. § 7201
Tax Evasion
(Count 24)

26 U.S.C. § 7206(1)
False Statement
(Count 25)

26 U.S.C. § 7212(a)
Obstruction
(Count 26)

18 U.S.C. § 1349
Conspiracy
(Count 27)

1	18 U.S.C. § 1344(2) Bank Fraud (Count 28)
2	18 U.S.C. § 1343 Wire Fraud (Counts 29-30)
3	18 U.S.C. § 1957(a) Transactional Money Laundering (Counts 31-32)
4	18 U.S.C. § 1028A(a)(1) Aggravated Identity Theft (Counts 33-34)
5	18 U.S.C. § 981(a)(1)(C); 18 U.S.C. § 982(a)(1); 21 U.S.C. § 853; 28 U.S.C. § 2461(c) (Forfeiture Allegations)
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THE GRAND JURY CHARGES:

At all times material to this Second Superseding Indictment, within the District of Arizona and elsewhere:

INTRODUCTION

1. Beginning on or about January 2007 and continuing through July 2019, Defendant DAVID ALLEN HARBOUR defrauded investor-victims out of approximately \$10,082,864.01 by promoting and selling fraudulent high-yield investments, in most cases involving investments in high-rate loans to consumers and general investments. Some of these loans in which Defendant HARBOUR purported to solicit investors are known as “payday loans.” Defendant HARBOUR induced investors to provide funds by making materially false statements and omissions orally during in-person meetings, in written solicitations, promissory notes, self-styled contracts, engagement letters, commercial security agreements, operating agreements, text messages, emails, and other documents. Defendant HARBOUR then used the investment funds for purposes other than what was promised to investor-victims, such as for personal living expenses to support his and his family’s lavish lifestyle to include, but not limited to, private golf resort membership fees, substantial personal credit card payments, extravagant parties, mortgage payments, an

1 expensive power boat, private chartered jets, luxury homes, jewelry and other business
2 ventures. In some instances, Defendant HARBOUR made *Ponzi* payments with funds
3 received from later investor-victims to make payments to earlier investor-victims in an
4 effort to continue the fraud.

5 2. Defendant HARBOUR orchestrated the fraud scheme through numerous entities,
6 including HighPointe Capital Group, LLC(HighPointe Capital Group); Nautical Holdings,
7 LLC (Nautical Holdings); Pujanza Management, LLC (Pujanza); Milagro Consulting, LLC
8 (Milagro); Oak Tree Management, LLC (Oak Tree); 21020, LLC (21020); DNA
9 Management, LLC (DNA Management); DNA Investments, LLC (DNA Investments);
10 NorthRock, LLC (NorthRock); AJS Management, LLC (AJS Management); and Canyon
11 Road Holdings, LLC (Canyon Road).

12 **HIGH-YIELD INVESTMENT FRAUD SCHEME**

13 3. Beginning in December 2007, Defendant HARBOUR solicited investor-victims by
14 promising significant returns in short periods of time. Defendant HARBOUR told investors
15 their funds would be invested in short-term, high interest-rate loans to consumers (also
16 known as payday loans), and general investments. Defendant HARBOUR represented he
17 made 18%-20% returns for his clients and assured investors that investing in payday
18 lending was not risky because the small loans were made to a diversity of consumers.
19 Investors were falsely told their funds would be used only as short-term loans to small
20 consumer and start-up businesses and that their funds were secured by Defendant
21 HARBOUR's personal guarantees.

22 a. Defendant HARBOUR set up various LLCs, such as Pujanza and
23 NorthRock, with some investor-victims to facilitate investments in the payday lending
24 scheme. Defendant HARBOUR solicited numerous investors into a payday lending
25 scheme and other unspecified investments known as KSQ Management, LLC (KSQ).
26 Defendant HARBOUR concealed from investors that he was paid a 25% origination fee
27 for their investment. After the collapse of KSQ, Defendant HARBOUR blamed the
28 principal of KSQ, J.T., for the loss of investment funds and solicited some of the same

1 KSQ investors and others into a fund known as Green Circle, a Native American lending
2 entity that he stated would finance consumer loans and generate profits. Defendant
3 HARBOUR was the consultant and main fund-raiser of Green Circle, and his fees were
4 dependent on the incoming cash flows he raised. Defendant HARBOUR misrepresented to
5 investors that their principal would be paid back before he took a percentage of profits
6 generated through the payday loans. Most investors were never told they were not in first
7 position to receive returns. In some cases, Defendant HARBOUR convinced investors to
8 lend him money with high rates of return. Defendant HARBOUR never paid the money
9 back and, in some cases, made interest payments with other investors' money (i.e., *Ponzi*
10 payments) and concealed this from investors.

11 b. As a result of the fraudulent investment offerings, between January 2007
12 through October 2016, victim-investors provided to Defendant HARBOUR at least
13 \$6,900,000 in investment funds.

14 c. Defendant HARBOUR personally solicited investors in Arizona and other
15 states. Defendant HARBOUR was a member of several private, luxury golf resorts located
16 in Paradise Valley and Scottsdale, Arizona, Cabo San Lucas, Mexico, Palm Springs,
17 California, and Harrison, Idaho. Defendant HARBOUR solicited potential investors from
18 these golf resorts. For several victim investors, Defendant HARBOUR invited them to his
19 vacation condominium at Gozzer Ranch Golf and Lake Club in Harrison, Idaho or his
20 condominium in Cabo San Lucas, Mexico. Defendant HARBOUR took potential investors
21 out on a luxury boat and out to fine dining and entertainment. Defendant HARBOUR
22 invited investors to his Skybox during Arizona State University football games. He also
23 invited potential investors to his 16th hole Skybox at the Phoenix Waste Management Open.

24 d. Defendant HARBOUR portrayed a veneer of success by telling investors
25 about luxury expenditures that he intended to give the illusion that he was a successful
26 investor. For example, he described his 40th birthday party to one investor, where he
27 explained how he flew all of his friends to the party location on a private chartered airplane
28 and attended a private concert of the 1970s band, The Eagles, in Los Angeles.

1 e. Through operating agreements, contracts, promissory notes, emails, text
2 messages and oral statements, Defendant HARBOUR misrepresented virtually every
3 material aspect of the purported investment opportunities, including but not limited to: the
4 backgrounds and experience of the principals, the amount of funds actually going to the
5 represented investment, that the investor is principal would be paid back to the investor
6 *before* Defendant HARBOUR was compensated, and that Defendant HARBOUR had
7 invested his own personal funds into the investment, giving investors the impression that
8 Defendant HARBOUR's own money was at risk. Defendant HARBOUR further
9 misrepresented the source of interest payments: interest payments were coming from other
10 investors' money in the form of *Ponzi* payments rather than proceeds from an investment.

11 f. In addition to defrauding investors and lenders, Defendant HARBOUR
12 evaded the payment of substantial federal income taxes and instead used the money to live
13 an extravagant lifestyle that he could not otherwise afford. During IRS efforts to collect on
14 unpaid tax liabilities, Defendant HARBOUR made multiple false statements to IRS
15 personnel.

PAT SPALUDING GENERAL INVESTMENT FRAUD SCHEME

17 4. In December 2007, Defendant HARBOUR, through HighPointe Capital Group,
18 solicited K.B. to invest \$2,500,000 pursuant to a Loan Agreement dated December 13,
19 2007 and pursuant to Multiple Advance Notes.

20 5. Defendant Harbour provided personal guarantees to K.B., promising to return his
21 \$2.5 million.

22 6. HARBOUR represented to K.B. that the proceeds under the Loan Agreement
23 and Multiple Advance Notes were only to be used "to fund loans made or to be made
24 (a) to Family Dollar franchises and (b) to construct or acquire college-level student
25 housing located in Texas" as part of a larger \$7,000,000 loan that was allegedly to be
26 made by HighPointe Capital Group to Pat Spaulding ("Spaulding") an alleged business
27 acquaintance of Defendant HARBOUR who Defendant HARBOUR represented had
28 ties to both the Family Dollar Store and student housing markets.

1 7. HARBOUR also solicited P.C. for the same investment. Defendant HARBOUR
2 explained that the Family Dollar Stores were a franchise-owned product and that the real
3 investment would be in the ownership of the Family Dollar Store building. Defendant
4 HARBOUR did not provide P.C. details in regard to the student housing part of the
5 investment. Defendant HARBOUR misrepresented to P.C. that she would receive a 18%
6 rate of return.

7 8. Spaulding was a high school classmate of HARBOUR, passed away in 2009,
8 and never was involved in investments involving the Family Dollar Store or student
9 housing as represented by HARBOUR.

10 9. HARBOUR misrepresented to K.B. and P.C. that "Pat Spaulding" was the reason
11 the why the investment did not succeed.

12 10. Defendant HARBOUR continued to represent that “Spaulding” was involved in
13 this investment by sending “Spaulding” an email threatening legal action in 2014, five
14 years after Spaulding had died.

R.G. FRAUD SCHEME

16 11. Defendant HARBOUR began his fraudulent activity with victim R.G. as early as
17 2010. R.G.'s husband passed away suddenly in 2009, and R.G. was subsequently provided
18 with a life insurance check. She signed over the insurance check in the amount of
19 \$1,001,242.67 to Defendant HARBOUR, and he told her that he was going to invest the
20 money and guaranteed a minimum 3% return.

21 12. At various points from 2010 to 2016, R.G. wanted access to her funds that were in
22 Defendant HARBOUR's possession. For example, R.G.'s mother was ill, and she needed
23 the funds for medical and housing expenses. Defendant HARBOUR did not provide the
24 funds to her but instead offered numerous excuses. Defendant HARBOUR also made
25 excuses during in-person meetings, phone conversations, and text messages. Defendant
26 HARBOUR maintained R.G.'s trust by texting her on numerous occasions assuring her
27 that she should not worry and would receive a return on her investment. From 2010 to
28 2019, the only return of funds R.G. received was \$60,000 on August 2, 2011.

1 **KSQ / J.T. FRAUD SCHEME**

2 13. Sometime in or around 2011, Defendant HARBOUR began an investment
3 partnership with J.T., who was based in Kansas City, MO. J.T.’s payday lending entity was
4 known as KSQ Management, LLC (KSQ). Defendant HARBOUR solicited victims to
5 invest by promising significant returns in short periods of time. Defendant HARBOUR told
6 investors their funds would be invested by KSQ in short-term, high-interest rate loans
7 known as payday loans. The investments were recorded via promissory notes with attached
8 amortization schedules between one of Defendant HARBOUR’s companies and the
9 investor. In turn, the funds provided to KSQ were recorded as a promissory note between
10 one of HARBOUR’s entities and KSQ. In many instances, HARBOUR signed the
11 promissory notes with personal guarantees made by him. HARBOUR misrepresented to
12 investors such as J.C. that they were the only ones that received personal guarantees.
13 Although this business arrangement, which he began around 2011, was not successful,
14 HARBOUR would continue for years to entice investors with personal guarantees,
15 knowing that he did not have the ability to pay on those guarantees.

16 14. The investors were also not told that HARBOUR had an arrangement with J.T. to
17 receive upwards of a 25% finder’s fee based upon the amount of investors’ funds he raised
18 and provided to KSQ. When HARBOUR was unable to provide interest payments to
19 investors, he told the investors that J.T was to blame. When investors lost their money,
20 HARBOUR claimed (similar to what he misrepresented to R.G.) that “the change in laws
21 by the President and Operation Chokepoint changed the Automated Clearing House (ACH)
22 laws regarding payday lending.” At this point, Defendant HARBOUR had continued to
23 receive his 25% finder’s fee from KSQ while blaming KSQ and J.T. for the lack of
24 investment payments. Most, if not all, of the promissory notes signed by the victim-
25 investors and Defendant HARBOUR were made between the investor and one of
26 HARBOUR’s entities, such as NorthRock or Canyon Road.

27 15. C.H. was Defendant HARBOUR’s employee who invested \$81,621.34 with
28 HARBOUR through his entity NorthRock, on or about December 15, 2012. C.H. had the

1 funds in her IRA, and HARBOUR directed her to transfer the IRA to Liberty Trust
2 Company located in Texas, and the loan to NorthRock would be serviced through Liberty
3 Trust.

4 16. HARBOUR was also aware that C.H.'s husband P.H. had received an inheritance
5 of \$500,000. HARBOUR told C.H. that he would increase the interest rate on her IRA loan
6 if she and P.H. invested the \$500,000. On February 8, 2013, C.H. and P.H. provided
7 HARBOUR the \$500,000 to invest. HARBOUR invested the money in KSQ but did not
8 disclose the finder's fee he received for providing the money to KSQ. C.H. repeatedly
9 asked HARBOUR when she would be paid back, to which HARBOUR responded that
10 C.H. should "go ask J.T. where her money is." HARBOUR only made minimal payments
11 to P.H. and blamed J.T. even though HARBOUR was listed on the promissory note with
12 P.H. and was ultimately responsible for paying the funds back.

13 17. HARBOUR provided funds to KSQ through his entities: DNA Investments,
14 NorthRock, and Canyon Road. DNA Investments was personally owned by HARBOUR.
15 NorthRock was jointly owned with M.D. HARBOUR received a finder's fee from KSQ no
16 matter which company provided the funds. Due to the losses sustained by KSQ, NorthRock
17 filed bankruptcy on June 13, 2018, listing 25 investor claims totaling \$35,830,253.62.

18 18. Many of the KSQ investors wanted their money back and threatened to sue
19 Defendant HARBOUR or go to the authorities. In response, HARBOUR assured many of
20 the KSQ investor-victims they would receive a return on their investment by promising to
21 pay the investors back through a new business investment he was working on known as
22 Green Circle. He emailed some of the KSQ investors and provided excuses or told them
23 funds were coming. HARBOUR made modest interest payments to some investors. These
24 interest payments were not regularly scheduled payments as dictated in the amortization
25 schedule of the investor's promissory note but were made based on which investor
26 complained the most.

27 19. HARBOUR continued his fraud scheme knowing that he did not disclose his
28 finder's fee arrangement with KSQ. HARBOUR did have the ability to make some

1 payments to the victims but instead, made substantial payments to his American Express
2 credit card while blaming KSQ and J.T. for the failure to provide investors with returns.
3 From 2011 through 2014, at least \$14,700,000 was sent to KSQ from HARBOUR-
4 controlled bank accounts, and \$27,335,141.92 was sent to HARBOUR's bank accounts
5 from J.T. controlled bank accounts; that amount included \$6.6 million in payments to
6 HARBOUR as a finder's fee. There were additional funds sent to KSQ either directly from
7 investor-victims or from other HARBOUR accounts.

GREEN CIRCLE FRAUD SCHEME

9 20. Following the collapse of KSQ in approximately 2014, HARBOUR began a
10 business investment relationship with a Native American-owned entity known as Green
11 Circle. HARBOUR solicited some of the previous KSQ investors and convinced them to
12 invest in Green Circle. HARBOUR told some of the investors who lost money in the KSQ
13 scheme that he would be able to repay them with substantial returns on investments with
14 Green Circle. Some of these investors, in an effort to recoup their losses from KSQ, decided
15 to invest in Green Circle and sent their investment funds directly to Green Circle bank
16 accounts instead of providing the funds directly to HARBOUR's entities similar to the
17 KSQ venture.

18 21. In addition to the KSQ investors, HARBOUR raised funds from new investors for
19 the Green Circle venture. Similar to the previous investment schemes, HARBOUR utilized
20 promissory notes to record the financial transactions and, in some instances, signed
21 personal guarantees. The major difference in HARBOUR’s actions between the KSQ
22 scheme and the Green Circle scheme was that he kept a portion of the investor’s funds that
23 were invested and only provided a portion of the funds to Green Circle. Unlike KSQ,
24 instead of receiving his finder’s fee on the back end, he took it on the front-end. Again,
25 investor-victims did not know that HARBOUR was keeping a large percentage of their
26 investment funds for his own personal compensation, nor would he have been authorized
27 to do so.

²⁸ 22. In some instances, HARBOUR continued to randomly make *Ponzi* payments to

1 some of the investors with other investors' funds or from sources that were not from the
2 investment vehicle. Victim M.B., who did not invest in KSQ, was convinced to provide
3 HARBOUR \$1 million for investment into Green Circle. HARBOUR only provided
4 \$600,000 to Green Circle and used the remaining \$400,000 to make payments to his
5 American Express credit card and for lavish family vacations, among other personal
6 expenditures. Another investor, victim R.T., invested \$500,000, and only \$55,000 went to
7 Green Circle. Similar to M.B.'s funds, R.T.'s funds were used to pay the balance on
8 HARBOUR's American Express credit card and to make *Ponzi* payments to other
9 investors. Despite HARBOUR's representations regarding the return on investment,
10 investor R.T. received only minimal interest payments of \$64,571.27. For investor M.B.'s
11 \$1 million investment, he received only \$65,000 in wire transfer payments from
12 HARBOUR's Pujanza Management bank account from June 2015 to January 2017.

13 23. During the Green Circle fraud scheme, HARBOUR transitioned from raising
14 individual investor funds to securing a Revolving Credit Promissory Note, executed June
15 19, 2015, for Green Circle from FinTech Financial, LLC (all of FinTech's interest was
16 assigned to Princeton Alternative Income Fund (PAIF), an investment fund established on
17 June 25, 2015). PAIF provided funds *via* draw requests to Green Circle for payday loans.
18 The draw requests were submitted by Green Circle employees and were reviewed by PAIF
19 prior to funding. Per the agreement, HARBOUR had to provide certain financial
20 information to PAIF for their review that would be material to the funding decision for
21 each draw request. Defendant HARBOUR misrepresented the financial condition and
22 operations of Green Circle. PAIF began funding Green Circle in July 2015.

23 24. From the beginning of the business arrangement with PAIF, HARBOUR
24 manipulated the records to his advantage in order to entice PAIF to fund the draw requests.
25 The records included a spreadsheet that gave a false impression of the lending portfolio
26 and the status of Green Circle. For example, per the guidelines of funding, customers who
27 were in arrears with the Green Circle payday lending were barred from receiving any new
28 loans. Instead, HARBOUR issued new loans to the borrowers who were about to go into

1 default, which absorbed the old loans. HARBOUR misrepresented to PAIF that Green
 2 Circle was a functional and profitable portfolio and that the loans were performing and not
 3 in default. PAIF relied on this information for their lending decision and would not have
 4 provided funds if the borrowers' loan status was accurately represented. HARBOUR never
 5 disclosed to investors that the loans were non-performing. HARBOUR's business
 6 relationship ended with Green Circle upon PAIF learning of a Securities and Exchange
 7 Commission (SEC) investigation into HARBOUR and the raising of investment funds for
 8 Green Circle.

9 **INVESTOR-VICTIMS PAYMENTS TO DEFENDANT HARBOUR**

10 25. Between December 2007 and July 2019 the investor-victims made investments of
 11 approximately \$10,082,864.01 primarily related to loans to small businesses, start-up
 12 businesses, and for short-term payday-style lending. The following chart represents the
 13 victims' funds that were provided based upon HARBOUR's false statements and material
 14 omissions:

Name	Account	Amount (Approximate)	Deposit Date (On or about)
K.B.	HighPointe Capital Group	\$2,500,000	12/13/2007
P.C.	HighPointe Capital Group	\$200,000	12/2007
R.G.	HighPointe Capital Group	\$1,001,242.67	03/22/2010
C.H.	NorthRock	\$81,621.34	12/15/2012
J.C.	NorthRock	\$3,000,000	07/2012
P.H.	DNA Investments	\$500,000.00	02/8/2013
A.W.	Canyon Road	\$100,000.00	02/18/2014
SNI Fund 1/ R. T.	Oak Tree	\$500,000.00	07/30/2014
M.B.	Pujanza	\$1,000,000.00	12/02/2014
D.W.	Canyon Road	\$100,000.00	01/01/2015
PAIF	Oak Tree	\$1,100,000.00	08/11/2015
Total		\$10,082,864.01	

WIRE AND BANK FRAUD

26. In 2014, Defendant HARBOUR went into default on his mortgage loan for his residence located at XXXXX East Ranch Gate Road, Scottsdale, Arizona and the bank foreclosed on the property in 2017.

27. In October 2015, Defendant HARBOUR, in a continued effort to demonstrate a veneer of success, arranged to purchase a multi-million-dollar residence located at XXXX Martingale, Paradise Valley, (“Martingale”). At the time, the house was valued at \$2.7 million. Defendant HARBOUR had poor credit, unstable income, tax liens, owed millions of dollars to numerous investors, among other liabilities. He could not have qualified for a conventional loan to purchase the residence.

28. Defendant HARBOUR approached J.S. to purchase Martingale. It was agreed that Defendant HARBOUR would move in, pay rent of \$20,000 per month, make substantial improvements to the home, and eventually purchase the home from J.S. Due to Defendant HARBOUR's dire financial situation the agreement required personal guarantees by Defendant HARBOUR and his in-laws, T.J.G.

29. Defendant HARBOUR moved into Martingale in October 2015. Defendant HARBOUR made only two rent payments, did not complete any remodeling as agreed, and left the home in a state of disrepair. Defendant HARBOUR was evicted from Martingale in September 2019.

30. In 2021, Defendant HARBOUR found another luxury property for purchase located at XXXX E. Georgia Ave., Phoenix, Arizona (“Georgia Residence”). The home was valued in July 2021 at approximately \$3.7 million. Again, Defendant HARBOUR was unable to qualify to purchase the property. Associate (1) was willing to purchase the property if he did not have to provide funds necessary for the purchase. Defendant HARBOUR solicited investors to provide the down payment and other related closing costs.

31. Similar to the Pat Spaulding fraud, Defendant HARBOUR approached K.B. for the purpose of requesting that he lend approximately \$141,000 toward the down payment for the Georgia Residence. Similar to Martingale, Defendant HARBOUR sought the financial

1 assistance of his in-laws, T.J.G, who agreed to lend approximately \$202,000 for costs
2 related to the purchase of the Georgia Residence. Defendant HARBOUR provided both
3 K.B. and T.J.G a secured promissory note as collateral for their investment in the Georgia
4 Residence, and an agreement for them to be paid back by Associate (1). The note purported
5 to be signed by Associate (1). T.J.G's funds were wire transferred to K.B.'s bank account
6 to be combined with his funds to be provided to the lender.

7 32. The lender, Equitable Home Mortgage, Inc., required that a gift letter be executed
8 avowing the funds provided by K.B. were not a loan but rather a gift. In other words, there
9 was no expectation that Associate (1) had to re-pay the funds.

10 33. HARBOUR provided two false gift letters to Equitable Home Mortgage, Inc., that
11 misrepresented that the down payment was a gift and not a loan. This statement was false,
12 as both K.B. and T.J.G executed separate secured promissory notes that expressly agreed
13 that Associate (1) would return their funds. In addition, one of the gift letters provided to
14 Equitable Home Mortgage, Inc., misrepresented that Associate (1) and K.B. were cousins as
15 an explanation as to why K.B. would gift Associate (1) approximately \$340,000. Again,
16 this was untrue. The gift letters contain a warning that the signatories fully understand that
17 it is a federal crime to knowingly make false statements.

18 34. Equitable Home Mortgage, Inc. funded the loan. HARBOUR and his family moved
19 into the Georgia Residence in November 2021.

20 **COUNTS 1-10**

21 **WIRE FRAUD**

22 **(18 U.S.C. § 1343)**

23 35. The factual allegations in paragraphs 1 through 34 are incorporated by reference and
24 re-alleged as though fully set forth herein.

25 36. Beginning at a time unknown to the Grand Jury, but at least as early as in or about
26 January of 2010, and continuing to a time unknown to the Grand Jury, but to at least in or
27 about July of 2019, in the District of Arizona and elsewhere, HARBOUR, individually and
28 doing business under the entities described above, along with other individuals and entities

1 known and unknown to the Grand Jury, knowingly and willfully devised and intended to
 2 devise a scheme and artifice to defraud and to obtain money and property from investor-
 3 victims by means of materially false and fraudulent pretenses and representations, and by
 4 the concealment and omission of material facts.

5 37. On or about the dates listed below, for the purpose of executing and attempting to
 6 execute the scheme or artifice to defraud and to obtain money and property, HARBOUR,
 7 individually and doing business under the entities described above, knowingly transmitted
 8 and caused to be transmitted, by means of wire and radio communications in interstate
 9 commerce, certain writings, pictures, signals, and sounds, to and from the District of
 10 Arizona and elsewhere, as set forth below, with each instance being a separate count of this
 11 indictment:

Count	Wire Date (On or About)	Sender	Recipient or Receiving Bank	Item Sent (Approximate)
1	07/30/2014	SNI Fund 1/R.T.	Oak Tree Management NT 1790	\$500,000.00
2	12/02/2014	M.B.	Pujanza Management, LLC BMO 5244	\$1,000,000.00
3	08/11/2015	Green Circle	Oak Tree Management BMO 1964	\$1,100,000.00
4	12/31/2015	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
5	04/04/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
6	07/19/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
7	10/17/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00

1	8	01/20/2017	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
2	9	03/15/2016	GC BMO x9606	R.T./C.I.F.	\$10,942.24
3	10	06/15/2016	GC BMO x9606	R.T./C.I.F.	\$11,062.49

6 In violation of Title 18, United States Code, Section 1343.

7 **COUNTS 11-12**

8 **Mail Fraud**

9 **(18 U.S.C. § 1341)**

10 38. The factual allegations in paragraphs 1 through 37 are incorporated by reference and
11 re-alleged as though fully set forth herein.

12 39. Beginning at a time unknown to the Grand Jury, but at least as early as in or
13 about January of 2010, and continuing to a time unknown to the Grand Jury, but to at
14 least in or about July of 2019, in the District of Arizona and elsewhere, Defendant
15 HARBOUR, individually and doing business under the entities described above, along
16 with others known and unknown to the Grand Jury, did knowingly and willfully devise and
17 intend to devise a scheme or artifice to defraud and to obtain money and property by means
18 of materially false and fraudulent promises, pretenses, and representations, and the
19 concealment of material facts.

20 40. On or about the dates listed below, in the District of Arizona and elsewhere, for
21 the purpose of executing and attempting to execute the aforesaid scheme or artifice to
22 defraud and to obtain money by means of materially false and fraudulent pretenses,
23 representations, and promises, Defendant HARBOUR, along with others known and
24 unknown to the Grand Jury, placed and caused to be placed in a post office and
25 authorized depository for mail matter, to be sent and delivered by the United States Postal
26 Service, and deposited and caused to be deposited for delivery by a private and commercial
27 interstate carrier, for delivery by commercial interstate carriers, as shown below for each
28

1 count, from the District of Arizona, to Texas, each such instance being a separate count
 2 of this Indictment:

Count	Payor Account	Check Date	Posted Date	Description of Item Mailed	Amount (Approximate)
11	HighPointe Capital Group, LLC BMO x7406	4/22/2016	4/28/2016	Check # 3231 to Liberty Trust Co. FBO: A.W. in the amount of \$7,500	\$7,500.00
12	HighPointe Capital Group, LLC BMO x7406	5/3/2016	5/9/2016	Check # 3242 IRA Fee TC003721 C.H. in the amount of \$255.00	\$255.00

11 In violation of Title 18, United States Code, Section 1341.

12 **COUNTS 13–23**

13 **TRANSACTIONAL MONEY LAUNDERING**

14 **(18 U.S.C. § 1957)**

15 41. The factual allegations in paragraphs 1 through 40 are incorporated by reference and
 16 re-alleged as though fully set forth herein.

17 42. On or about the dates listed below, in the District of Arizona and elsewhere,
 18 Defendant HARBOUR, individually and doing business under the entities described above,
 19 along with other individuals and entities known and unknown to the Grand Jury, knowingly
 20 engaged and attempted to engage in the following monetary transactions in the United
 21 States in criminally derived property of a value exceeding \$10,000, derived from specified
 22 unlawful activity, namely wire fraud in violation of 18 U.S.C. § 1343, with each instance
 23 being a separate count under this indictment:

Count	Date (On or about)	Amount (Approximate)	Financial Institution	Description of Transaction
13	08/05/2014	\$34,665.33	Northern Trust	Check #1238 from DNA Investments Northern Trust x9412 to D.S.
14	08/08/2014	\$37,500.00	Northern Trust	Transfer from Oak Tree Northern Trust x1790 to

1				DNA Management Northern Trust x3388
2				Transfer from DNA Management NT3388 to HighPointe Capital Group BOA x3354
3	15	08/08/2014	\$37,500.00	Northern Trust
4				
5	16	08/08/2014	\$37,500.00	Bank of America
6				Transfer from HighPointe Capital Group BOA x3354 to Herrington Park 1, LLC
7				
8	17	08/21/2014	\$12,083.90	Northern Trust
9				Check #1542 from 21020 Northern Trust x5180 to J.R.G.
10				
11	18	08/27/2014	\$142,785.88	Northern Trust
12				ACH Debit Payment from DNA Investments Northern Trust x9412 to Defendant HARBOUR American Express
13				
14	19	08/28/2014	\$13,682.69	Bank of America
15				Transfer from HighPointe Capital Group BOA x3354 to Employment Edge
16				
17	20	12/04/2014	\$223,121.88	Northern Trust
18				ACH Debit Payment from DNA Management Northern Trust x3388 to Defendant HARBOUR American Express
19				
20	21	8/12/2015	\$915,000.00	BMO Harris
21				Oak Tree BMO 1964 to Milagro BMO 5236
22				
23	22	08/13/2015	\$750,000.00	Bank of America
24				Milagro BMO 5236 to Defendant HARBOUR BOA x8017
25				
26	23	09/02/2015	\$500,000.00	Bank of America
27				Defendant HARBOUR BOA x8017 to FTC Receiver LEC
28				

In violation of Title 18, United States Code, Section 1957.

COUNT 24

TAX EVASION

(26 U.S.C. § 7201)

1 43. The factual allegations in paragraphs 1 through 42 are incorporated by reference and
2 re-alleged as though fully set forth herein.

3 44. From in or around February 2016, through in or around June 2018, in the District of
4 Arizona and elsewhere, Defendant HARBOUR, a resident of Maricopa County, AZ,
5 willfully attempted to evade and defeat the payment of income taxes due and owing by him
6 to the United States of America, for the calendar year 2012 by committing the following
7 affirmative acts, among others:

8 a. On April 14, 2016, Defendant HARBOUR provided IRS a signed Form 433-
9 A and financial documents that intentionally omitted bank records held under his control.

10 b. On April 26, 2017, Defendant HARBOUR provided IRS a second signed
11 Form 433-A that contained materially false statements including regarding stated
12 employment, financial information, and assets and liabilities. For example, Defendant
13 HARBOUR failed to disclose bank accounts held under his control, ownership positions
14 of his entities and entities held under the name of his wife and/or entities owned by her.
15 Furthermore, Defendant HARBOUR did not disclose the ownership arrangement of his
16 personal residence, and he did not disclose the possession and use of an American Express
17 credit card held under the name of a nominee. An analysis of Defendant HARBOUR's
18 American Express credit card activity for the period of January 1, 2017, to April 30, 2017,
19 indicated \$277,706.49 in payments were made. In addition, during the following two
20 months (May and June 2017), Defendant HARBOUR paid American Express a total of
21 \$209,131.36. None of this information was properly disclosed on the Form 433-A

22 c. Defendant HARBOUR also falsely listed his position with a company known
23 as Volente on the Form 433-A. Defendant HARBOUR misrepresented to the IRS that he
24 and his wife did not have any bank accounts, and thus, he was paid by Volente via company
25 credit card. From January 2018 through June 2018, Defendant HARBOUR had control
26 over at least three accounts with deposits to these accounts totaling over \$350,000.

27 d. In or around October 2020, Defendant HARBOUR recently received a loan
28 from D.D. to pay a portion of his outstanding tax due and owing. The loan was taken against

1 the collateral of ALB Harbour Spousal Lifetime Access Trust, dated March 13, 2017, the
2 same trust that was not disclosed to the IRS Revenue Officer. As of June 8, 2018,
3 Defendant HARBOUR's tax due and owing, to include penalties and interest, totals
4 \$4,232,294.03 for 2012.

5 In violation of Title 26, United States Code, Section § 7201.

6 **COUNT 25**

7 **FALSE STATEMENT**

8 **(26 U.S.C. § 7206(1))**

9 45. The factual allegations in paragraphs 1 through 44 are incorporated by reference and
10 re-alleged as though fully set forth herein.

11 46. On or about April 26, 2017, in the District of Arizona, Defendant HARBOUR did
12 willfully make and subscribe an Internal Revenue Service Form 433-A, which was verified
13 by a written declaration that it was made under the penalties of perjury, which was filed
14 with the Internal Revenue Service, and which Defendant HARBOUR did not believe to be
15 true and correct as to every material matter therein in that Defendant HARBOUR on the
16 Form 433-A:

- 17 a. did not disclose bank accounts held by Defendant HARBOUR at JP Morgan
18 Chase Bank, N.A.;
- 19 b. did not disclose the existence of the ALB Harbour Spousal Lifetime Access
20 Trust, dated March 13, 2017;
- 21 c. did not disclose that the ALB Harbour Spousal Lifetime Access Trust held
22 ownership of entities in which Defendant HARBOUR had a financial
23 interest;
- 24 d. did not disclose the ownership agreement regarding his personal residence;
- 25 e. misrepresented that Defendant HARBOUR was unemployed when in truth
26 and fact, Defendant HARBOUR was 50% owner of Volente.

27

28

1 47. Defendant HARBOUR updated and re-filed the Form 433-A with the IRS Revenue
2 Officer on or about June 6, 2018. Defendant HARBOUR resubmitted the same false
3 statements identified above as a–e, and also did not disclose:

- a. bank accounts held by Defendant HARBOUR and his wife at BMO Harris Bank, JP Morgan Chase Bank, N.A., and Desert Financial Credit Union; and
- b. Defendant HARBOUR's ownership of various items of jewelry.

In violation of Title 26, United States Code, Section 7206(1).

COUNT 26

OBSTRUCTION

(26 U.S.C. § 7212(a))

1 48. The factual allegations in paragraphs 1 through 47 are incorporated by reference and
2 re-alleged as though fully set forth herein.

13 49. From in or around March 2017, through in or around June 2018, in the District of
14 Arizona, Defendant HARBOUR did corruptly endeavor or attempt to endeavor to obstruct
15 and impede the due administration of the Internal Revenue laws by providing the following
16 false or misleading information to a representative of the Internal Revenue Service:

17 a. Defendant HARBOUR provided two Internal Revenue Service Form 433-As
18 that contained false information;

b. Defendant HARBOUR misrepresented his wife's employment;

20 c. Defendant HARBOUR misrepresented his own employment;

21 d. Defendant HARBOUR misrepresented his ownership of his residence;

22 e. Defendant HARBOUR failed to disclose the existence of an Amer

23 Express credit card that incurred charges of over \$263,000 from January to May 2017.

24 f. HARBOUR failed to disclose the existence of the ALB Harbour Spousal
25 Lifetime Access Trust that held ownership of two companies in which Defendant
26 HARBOUR had a financial interest. HARBOUR also intentionally failed to disclose the
27 existence of the following bank accounts: (a) HPCG Hospital Investment, BMO Harris
28 Bank, Account No. x9225; (b) HighPointe Capital Group, BMO Harris Bank, Account No.

1 x9284; (c) Abby L Harbour, JP Morgan Chase Bank, Account No. x8389; Abby L Harbour,
2 JP Morgan Chase Bank, Account No. x9018; and Kathryn J Harbour, Desert Financial
3 Credit Union, Account No. x7980

4 In violation of Title 26, United States Code, Section 7212(a).

5 **COUNT 27**

6 **CONSPIRACY**

7 **(18 U.S.C. § 1349))**

8 50. The factual allegations in paragraphs 1 through 49 are incorporated by reference and
9 re-alleged as though fully set forth herein.

10 51. Between July 2021 and September 2021, both dates being approximate and
11 inclusive, within the District of Arizona and elsewhere, the Defendant HARBOUR,
12 Associate (1) and others known and unknown to the Grand Jury did conspire,
13 confederate and agree with each other to commit the following offenses:

14 a. They knowingly and willfully executed and attempted to execute a scheme
15 and artifice to defraud a financial institution, namely Equitable Home Mortgage, Inc., and
16 to obtain and attempt to obtain monies, funds and credits of Equitable Home Mortgage,
17 Inc., and under the custody and control of Equitable Home Mortgage, Inc., by means of
18 materially false and fraudulent pretenses, representations and promises, in violation of 18
19 U.S.C. § 1344.

20 b. They devised and intended to devise a scheme and artifice to defraud another
21 by means of false and fraudulent pretenses and for obtaining money by means of false and
22 fraudulent pretenses, representations, and promises, and for the purpose of executing the
23 scheme and artifice and attempting to do so caused to be transmitted by means of wire
24 communication in interstate commerce, in violation of 18 U.S.C. § 1343.

25 In violation of Title 18, United States Code, Section 1349.

26 **COUNT 28**

27 **BANK FRAUD**

28 **(18 U.S.C. § 1344(2))**

1 52. The factual allegations in paragraphs 1 through 51 are incorporated by reference and
2 re-alleged as though fully set forth herein.

3 53. Between July 2021 and September 2021, both dates being approximate and
4 inclusive, within the District of Arizona and elsewhere, Defendant HARBOUR
5 knowingly executed, and attempted to execute, a scheme and artifice to defraud Equitable
6 Home Mortgage, Inc., and to obtain any of the moneys, funds, credits, assets, and other
7 property owned by and under the custody and control of Equitable Home Mortgage, Inc.,
8 by means of materially false and fraudulent pretenses, to wit: Defendant HARBOUR
9 provided Equitable Home Mortgage, Inc., with two false gift letters that misrepresented
10 that K.B. had gifted approximately \$340,000 to Associate (1) for the purpose of obtaining
11 a loan in the amount of \$2,363,094.91 with which to finance the purchase of the Georgia
12 Residence.

13 In violation of Title 18, United States Code, Section 1344.

COUNTS 29–30

WIRE FRAUD

(18 U.S.C. § 1343)

17 54. The factual allegations in paragraphs 1 through 53 are incorporated by reference and
18 re-alleged as though fully set forth herein.

19 55. Between July 2021 and September 2021, both dates being approximate and
20 inclusive, within the District of Arizona and elsewhere, Defendant HARBOUR devised
21 and intended to devise a scheme and artifice to defraud, and to obtain money and property
22 belonging to Equitable Home Mortgage, Inc., by means of materially false and fraudulent
23 pretenses, representations, promises, and material omissions, knowing that the pretenses,
24 representations, promises and material omissions were false and fraudulent when made.

Purpose of the Scheme and Artifice

26 56. It was the purpose of the scheme and artifice that Defendant HARBOUR would
27 obtain a home loan on behalf of Associate (1) through false pretenses, representations,

promises, and material omissions, all in order to obtain economic benefits for himself and his family members by residing rent free in the subject home for an unspecified time period.

Use of Wires

57. On or about the dates specified below, in the District of Arizona and elsewhere, Defendant HARBOUR, for the purpose of executing the aforesaid scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, as more particularly described below:

Count	Date (On or about)	Transaction	Sender	Receiver	Amount (Approximate)
29	08/24/2021	Wire transfer from Equitable Home Mortgage, Inc., to WFG National Title Insurance Company	Horizon Bank (Michigan City, Indiana)	Wells Fargo Bank, N.A. (San Francisco, CA)	\$2,363,094.91
30	08/24/2021	Wire transfer from L.B on behalf of K.B. to WFG National Title Insurance Company	Wells Fargo Bank, N.A. x8939 (Scottsdale, AZ)	Wells Fargo Bank, N.A. (San Francisco, CA)	\$242,591.67

In violation of Title 18, United States Code, Section 1343.

COUNTS 31–32

TRANSACTIONAL MONEY LAUNDERING

(18 U.S.C. § 1957)

58. The factual allegations in paragraphs 1 through 57 are incorporated by reference and re-alleged as though fully set forth herein.

59. On or about the dates specified below, in the District of Arizona and elsewhere, Defendant HARBOUR knowingly engaged in monetary transactions occurring within the United States by, through, or to a financial institution, affecting interstate commerce, in

criminally derived property that was of a value greater than \$10,000, such property having been derived from wire fraud:

Count	Date (On or about)	Monetary Transaction	Amount (Approximate)
31	08/24/2021	Real estate commissions paid from WFG National Title Insurance Company to M. L. PLLC (Launch Real Estate). Realtor located in Arizona.	\$77,940.00
32	08/24/2021	Real estate commissions paid from WFG National Title Insurance Company to C.K. PLC (Launch Real Estate). Realtor located in Arizona.	\$14,597.50

In violation of Title 18, United States Code, Section 1957(a).

COUNTS 33–34

AGGRAVATED IDENTITY THEFT

(18 U.S.C. § 1028A(a)(1))

60. The factual allegations in paragraphs 1 through 59 are incorporated by reference and re-alleged as though fully set forth herein.

61. On or about the dates listed below, in the District of Arizona, Defendant HARBOUR, did knowingly use, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(C), to wit: Wire Fraud in violation of 18 U.S.C. § 1343 and Bank Fraud in violation of 18 U.S.C. §1344, knowing that the means of identification belonged to another actual person, namely B.S:

Count	Date (On or about)	Document	False Identification
33	August 12, 2021	Secured Promissory Note between T.J.G. and B.S.	Defendant HARBOUR forged the name of B.S.
34	August 24, 2021	Secured Promissory Note between K.B. and B.S.	Defendant HARBOUR forged the name of B.S.

In violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE ALLEGATIONS

The Grand Jury realleges and incorporates the allegations of Counts 1 through 23 of this

1 Second Superseding Indictment, which are incorporated by reference as though fully set
2 forth herein. Pursuant to Title 18, United States Code, Sections 981 and 982, Title 21,
3 United States Code, Section 853 and Title 28, United States Code, Section 2461(c) and
4 upon conviction of one or more of the offenses alleged in Counts 1 through 23 of this
5 Superseding Indictment, the defendant(s) shall forfeit to the United States of America all
6 right, title, and interest in any and all property, real or personal, involved in such offense(s),
7 or any property traceable to such property involved in the offense(s), or conspiracy to
8 commit such offense(s), including the following: (a) all money or other property that was
9 the subject of each transaction, transportation, transmission or transfer in violation of a
10 statute listed in Title 18, United States Code, Section 982; (b) all other property constituting
11 proceeds obtained as a result of those violations; and (c) all property used in any manner
12 or part to commit or to facilitate the commission of those violations including, but not
13 limited to the sum of money representing the amount of money involved in the offense(s)
14 and the property named below.

15 a. A sum of money equal to at least \$4,382.864.01 in United States currency,
16 representing the amount of money involved in the offenses.

17 b. All right, title, and interest in any and all personal property, involved in or
18 traceable to any transaction set forth in Counts 1 through 23 of this Superseding Indictment.
19 Such property includes, but is not limited to, the following personal property:

- 20 1. 18 Karat White Gold Diamond Cuff Bracelet;
- 21 2. 18 Karat Yellow and White Gold Custom Kansas University Jayhawk
22 Pendant and Cable Chain;
- 23 3. Scott Kay Engraved Platinum Classic Band Stamped PT950;
- 24 4. Hamra Jewelers Engraved Custom Platinum Diamond Ring;
- 25 5. Patek Philippe Stainless Steel Nautilus Watch and Steel Bracelet with
26 Serial Number A384EAP;
- 27 6. Engraved Custom Platinum Eternity Band;

28

- 1 7. Rolex Day-Date Pearlmaster Watch with Serial Number G527156 and
- 2 Masterpiece Bracelet;
- 3 8. Stainless Navitimer Gents Breitling Watch with Serial Number
- 4 422425 and Polished Navitimer Heritage Bracelet; and
- 5 9. Cartier Pasha Seatimer Chronograph Watch with Serial Number
- 6 604011MX and Black Rubber Bracelet,

7 If any of the above-described forfeitable property, as a result of any act or omission
8 of the defendant:

- 9 (1) cannot be located upon the exercise of due diligence,
- 10 (2) has been transferred or sold to, or deposited with, a third party,
- 11 (3) has been placed beyond the jurisdiction of the court,
- 12 (4) has been substantially diminished in value, or
- 13 (5) has been commingled with other property which cannot be divided without
14 difficulty, it is the intent of the United States to seek forfeiture of any other property of said
15 defendant up to the value of the above-described forfeitable property, pursuant to Title 21,
16 United States Code, Section 853(p).

17 All in accordance with Title 18, United States Code, Sections 981 and 982, Title 21,
18 United States Code, Section 853, Title 28, United States Code, Section 2461(c), and Rule
19 32.2, Federal Rules of Criminal Procedure.

20 A TRUE BILL

21 _____
22 s/
23 FOREPERSON OF THE GRAND JURY
24 Date: June 14, 2022

25 GARY M. RESTAINO
26 United States Attorney
27 District of Arizona

28 _____
29 s/
30 KEVIN M. RAPP
31 COLEEN SCHOCH
32 Assistant U.S. Attorneys